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Approved For Release 2001/11/16 : CIA-RDP75-00793R000300180005-3

Date of Issue 11 January 1973	Expiration Date 8 July 1973	Control No. [REDACTED]	Country: USSR	25X1A 25X1A
Subject: Political Risk Insurance For US Experts to the USSR			Collection [REDACTED]	

BACKGROUND

1. According to a recent Journal of Commerce article the Black Sea and Baltic Insurance Company has entered into an agreement with American Home Assurance Company, a member of the American International Group.

2. We would be interested in obtaining further information concerning this agreement.

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E (2) IMPDET CL BY 55425X1A

Refer Questions to:

Released by:

25X1A	[REDACTED]	4273	[REDACTED]		
Name		Extension	Chief, Human Resources Group INS		
Originator:	Name		Office	Division	Branch
25X1A	[REDACTED]		OER	U	TD

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REQUIREMENTS

1. Will American Home be acting as an agent for Black Sea, e.g., drumming up business?
2. What is the anticipated volume of business, and what type of firms/banks are expected to insure with Black Sea, e.g., small deals versus large ones?
3. Is similar risk coverage available to American exporters from other sources? If so, who are these sources, and how does their coverage interface with coverage offered by Black Sea and Baltic?
4. What are the rates which will be charged by Black Sea and Baltic?
5. How would the extension of OPIC coverage to investments in the USSR affect American Home and Black Sea and Baltic's operations?
6. Does American Home plan to issue its own coverage at a latter date? If so, how will this affect Black Sea and Baltic's operations?
7. What effect will the availability of risk coverage have on the volume of US exports to the USSR? Will the fact that Black Sea and Baltic is Soviet-owned have any influence on US exporters willingness to insure?

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(12-37)

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COLLECTION REQUIREMENT

Date of Issue	Expiration Date	Control No.	Country	Type
17 January 1973	17 July 1973	[REDACTED]	USSR	25X1A
Subject			Collection	
US-USSR Insurance Agreements			[REDACTED]	25X1A

25X1A

REFERENCE: [REDACTED]

BACKGROUND

1. According to a recent Journal of Commerce article, Black Sea and Baltic Insurance Company has entered into an agreement with American Foreign Insurance Association (AFIA) of Wayne, New Jersey.

2. We are interested in obtaining further information concerning this agreement, particularly with respect to the attached topics.

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E (2) IMPDET CL BY 5548

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Name	Extension	/Chief, Human Resources Group IRS		
Originator:	Name	Office	Division	Branch
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REQUIREMENTS

1. Is the insurance scheme designed towards providing protection for American firms with offices in Moscow or is the agreement related to the joint development schemes now under discussion?
2. Has this type of insurance been heretofore unavailable to US businessmen from other sources? Why is it considered important that a US firm, rather than a Soviet firm underwrite such policies?
3. What will be the exact role of Black Sea in this venture? Since Black Sea has no facilities of its own in the USSR to our knowledge, will the actual servicing be handled by Ingosstrakh, Black Sea's parent firm?
4. Is there to be any form of profit sharing in the agreement; what will Black Sea gain from its involvement in the scheme?
5. How will an American firm go about getting a policy and what type of rates will it be charged? Are these rates different from rates charged for similar coverage in a West European nation?
6. The article mentions that coverage in some "neighboring countries" will be available. What are these countries and what type of coverage will be available?

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ACTION	DIRECT REPLY
APPROVAL	DISPATCH
COMMENT	FILE
CONCURRENCE	INFORMATION
PREPARE REPLY	RECOMMENDATION
RETURN	SIGNATURE
Remarks: Marv: Attached are the requirements DCS got in connection with the Russian insurance agreements. It seems to me it would be simple to take off the cover sheets and indicators and just hand Hank the questions. I notice that the second group talks about the agreement with the American Foreign Insurance Association of Wayne, New Jersey. I am not familiar with this and do not know whether Hank can answer those questions. However, whatever he is willing and able to do we would appreciate. Please return the information to me and I will put it back in DCS channels as a matter of	
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courtesy and also to maintain our security.

Lawrence R. Houston